



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Tuesday, November 21, 2006

Major Developments

Update: Valdez Port Disruptions Reduce TAPS Flow by 75 Percent November 20

Alaska Oil Producers Ordered to Cut Output by Two-Thirds November 21

Disruptions and Curtailments Could Last Till Thursday

As of November 19, Alaska oil production fell below 360,000 b/d, down from more than 836,000 b/d a week ago. For the past week, Trans-Alaska Pipeline System (TAPS) operator, Alyeska Pipeline Service Company, has been asking oil producers on the Alaska North Slope to curtail production due to weather-related loading problems at the port of Valdez, the pipeline's southern terminus. On November 17, maxed out storage tanks at the port of Valdez forced Alyeska to temporarily shut down TAPS. Since November 17, tankers have been loading intermittently at Valdez. Yesterday, Valdez inventory again reached high levels, forcing Alyeska to reduce TAPS flow to 25 percent of its normal rate. On Monday evening an Alyeska spokesman said that high waves continued to disrupt loading operations at Valdez. Today, Alaska's Joint Pipeline Office (JPO) ordered North Slope oil producers to cut output by 65 percent. The U.S. Coast Guard said on November 21 that the storm was abating but the JPO said that disruptions to tanker loadings could last through Thursday. Once loading resumes at Valdez, the production curtailment is not expected to persist because the terminal can load up to four tankers simultaneously at rates between 80,000 to 100,000 barrels per hour at each berth. Last week the Energy Assurance Daily reported that there were 14 operating oil storage tanks at Valdez, each of which can hold up to 510,000 barrels of oil. According to a JPO official, current inventories at Valdez stand at more than 86 percent of capacity.

http://today.reuters.com/news/articleinvesting.aspx?type=bondsNews&storyID=2006-11-21T145237Z_01_N21376059_RTRIDST_0_ENERGY-ALASKA-OUTPUT-UPDATE-1.XML

http://today.reuters.com/news/articlenews.aspx?type=businessNews&storyID=2006-11-21T151434Z_01_SP247384_RTRUKOC_0_US-MARKETS-OIL.xml

Reuters, 14:06 November 21, 2006

Reuters, 13:43 November 21, 2006

Reuters, 12:46 November 21, 2006

Electricity

Missouri River Drought Conditions Could Force Power Plants to Employ Emergency Procedures to Obtain Water to Run the Plants

An unprecedented long-term drought has resulted in record-low water levels along the Missouri River and in reservoirs upstream that could force utilities in the region to add additional pumps and other emergency equipment in order to obtain the water necessary to operate. Water levels in some upstream reservoirs are more than 25 feet below normal. The river has been shut to navigation since early in the fall.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7435641

Update: All Units at Complete Energy's 960 MW La Paloma Gas-fired Power Station in California Back Online November 20

All four 240 MW units at the LaPaloma power station returned to service by late Monday. The combined-cycle natural gas units tripped offline on November 15.

Reuters, 14:06 November 21, 2006

Update: Constellation's 850 MW Calvert Cliffs Nuke Unit 2 in Maryland Restarts November 21

The unit exited an outage and ramped up to 10 percent of capacity November 21. The unit shut November 16 when a turbine shut as workers were realigning electrical systems to support transformer maintenance.
Bloomberg News, 11:35 November 21, 2006

Reliant's 245 MW Coolwater 3 Gas-fired Unit in California Shut November 19

Reuters, 11:33 November 21, 2006

Reliant's 246 MW Coolwater 4 Gas-fired Unit in California Shut November 19

Reuters, 11:33 November 21, 2006

ATCO's 378 MW Sheerness 2 Coal-fired Unit in Alberta Shut November 20

Reuters, 11:33 November 21, 2006

Petroleum

Pasadena Refining Shuts FCC and Hydrotreater at 100,000 b/d Pasadena, Texas Refinery November 19

According to a filing with Texas regulators, the company shut the fluidic catalytic cracker (FCC) and hydrotreater at the refinery after malfunctions on Sunday. The FCC was shut because of excessive noise and vibrations while the hydrotreater was shut following a small fire. According to traders, the company will try restarting both units today.
Reuters, 13:10 November 21, 2006
Reuters, 19:07 November 21, 2006

ExxonMobil Puts Out Small Fire at Hydrofining Unit at 563,000 b/d Baytown, Texas Refinery November 20

According to a filing with Texas regulators, the company extinguished a small fire on a line supplying Lube Hydrofining Unit 1.
Reuters 07:14 November 21, 2006

Coker Repairs to Cut Syncrude's Alberta Oil Sands Output by Up to 100,000 b/d

Production at Syncrude Canada Ltd.'s oil sands project in northern Alberta will be cut by 85,000-100,000 b/d until November 27 due to repairs to part of its upgrading-refinery complex. On November 18, the company detected a leak on an overhead pipeline at its Coker 8-2 that required minor repairs. Production from the upgrading refinery's other two cokers will continue while the company fixes the leak. Once repairs have been completed, the company expects to resume normal output of 350,000 b/d.

http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2006-11-21T150230Z_01_N21367041_RTRIDST_0_ENERGY-SYNCRUDE-REPAIR.XML&rpc=66&type=qcna

Vitol Receives Approval to Build 3 Million Barrel Tank Farm at Port Canaveral, Florida

Commissioners for Port Canaveral have approved a 30-year lease that will allow Vitol to construct a new tank farm on the north side of the port. Vitol intends to build a 3 million barrel storage facility and hopes to eventually move some petroleum products through a 50-mile pipeline to Orlando International Airport. Currently, Orlando receives nearly all of its petroleum products via pipeline from Tampa. The pipeline project has not yet begun its lengthy approval and construction process but the tank farm project is not contingent on the pipeline project. Because Florida receives all of its petroleum product supplies via barge, it has seen widespread terminal outages when bad weather conditions disrupt port offloading. The new tank farm is expected to be in-service by summer 2008.
OPIS Alert, 10:40 November 20, 2006

FERC Approves 30,000 b/d Enbridge Pipeline Capacity Expansion in North Dakota

The U.S. Federal Regulatory Commission has approved a proposed 30,000 b/d capacity expansion of Enbridge's North Dakota System to serve Montana and North Dakota crude oil production.

<http://www.kxmb.com/getArticle.asp?ArticleId=69040>

<http://www.enbridge-expansion.com/expansion/main.aspx?id=1308&tmi=1680&tmt=5>

Natural Gas

Nothing to report.

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
November 21, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	58.01	58.28	57.75
NATURAL GAS Henry Hub \$/Million Btu	7.57	7.42	10.48

Source: Reuters

Energy Notes

Production at Marathon's Brae Alpha Oil Platform in North Sea Remains Shut After Gas Alert November 20

Reuters, 04:27 November 21, 2006

Update: Iraq Halts Pumping on Northern Pipeline November 20 After Brief Restart

Reuters, 06:17 November 21, 2006

Panel Inspecting Safety at BP's Five U.S. Refineries Delays Report Release to December 19

Reuters, 18:14 November 21, 2006

FERC Gives Environmental Approval to Sempra's Cameron LNG Expansion Project in Louisiana

NGI's Daily Gas Price Index, November 21, 2006

FERC Grants Port Arthur LNG Project's Request for In-Service Date Extension to 2014

NGI's Daily Gas Price Index, November 21, 2006

Xcel Says It's in the Market for More Natural Gas Storage Space in Rockies

NGI's Daily Gas Price Index, November 21, 2006

Progress Energy to Start Work on Outdoor Nuke Waste Storage Facility at Its Brunswick Plant in Early 2007

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7441065

Enbridge and Hatch Invest in N-Solve to Construct New Oil Sands Technology Pilot Plant

<http://biz.yahoo.com/iw/061120/0186825.html>

Mexico's Leftist Election Loser Declares Himself President, Threatens Street Protests

Reuters, 20:19 November 20, 2006

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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